



CONFLICT OF INTEREST POLICY

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I. Rationale

Macay Holdings, Inc. ("the Company" or "Macay"), being a publicly-listed company with investments in the fast-moving-consumer-goods industry, is committed to adhere to the highest standards of good corporate governance in the conduct of its business with clients, vendors/suppliers, regulators and other stakeholders. To continuously uphold the trust and confidence of its stakeholders, the Company's Directors, Senior Management, officers, employees and consultants are expected to espouse the highest degree of integrity, honesty and professionalism.

While the Company also recognizes the need to enhance good business relationships, it is incumbent upon everyone who acts on behalf of the Company to be guided by the overarching principles of transparency, fairness and accountability. The interest of the Company, therefore, should be the first priority in all decisions and actions.

II. Objectives

This Conflict of Interest Policy ("the Policy") aims to:

- A. Raise the awareness on and clarify what may constitute a conflict of interest; and
- B. Provide guidelines on how to deal with situations that may give rise to a conflict of interest.

III. Conflict of Interest

Conflict of interest basically stems from situations when an individual's objectivity is compromised or decisions are unduly influenced because of a desire to gain from a particular transaction or relationship. It may also arise when personal interests interfere with one's responsibility to act in the best interest of the Company.

Conflict of interest may also occur in activities where a director, officer or employee of the Company is not directly involved but involve another person, such as the director's, officer's or employee's immediate family or relatives. In this case, proper disclosure should be exercised.

IV. Coverage

This Policy shall be applicable to the following, also known as the "Covered Persons":

- A. Members of the Board of Directors
- B. All Officers
- C. Staff
- D. Consultants
- E. Any other person contracted to work on behalf of the Company

V. Policies

A. General Policy Statements

1. All Covered Persons must exercise the highest ethical standards in dealing with clients, vendors/suppliers, partners, regulators and other employees.
 2. Any involvement by Covered Persons in activities/interests that are in direct competition with the Company should be avoided.
 3. All Covered Persons must ensure that their personal interests do not conflict with the duties they must perform for the Company or with the duties which the Company performs for its clients or partners.
 4. All Covered Persons must keep confidential any information about the Company that has not been made public; and safeguard information about the Company's directors, officers, employees, clients and partners.
 5. All Covered Persons should not enter into transactions which may cause loss or damage to the business of the Company, the Company's name, reputation and confidence of the general public.
 6. All Covered Persons should not transact business on behalf of the Company with organizations/companies with which they are affiliated with, including relatives or close friends without prior approval of their division/group head and the President, with full disclosure of their related interests (Also, refer to the relevant provisions of the Company's Related Party Transaction Policy).
 7. All Covered Persons are not allowed to engage in any business on their own behalf inside the Company premises with clients, suppliers, partners and co-employees unless authorized by the Senior Management.
 8. All employees are expected to handle their relationships with co-employees on a professional level. Employees assigned to units that countercheck, audit, control, supervise other units of the Company should safeguard this professional relationship in order to maintain their objectivity in the conduct of their work.
 9. All Covered Persons are expected to handle their personal affairs in a responsible manner especially with regard to payment of debts and/or settlement of obligations from any person or institution.
 10. All Covered Persons are prohibited to engage in speculation, trading, purchase or sale of stocks of the Company based on insider information. Use of such information for personal or other gain shall be deemed unethical (Refer to the relevant provisions of the Company's Insider Trading Policy).
- B. The Chairman, or the President shall have full discretion to exempt transactions covered by this Policy should the exigency of service requires for as long as it may not cause any harm and damage to the Company's business, reputation, name and confidence of the Company's clients, partners and other stakeholders.

C. Specific Policies

1. Gifts, Entertainment and Sponsored Travel

In general, Company employees should neither solicit nor receive gifts, sponsored travel, extraordinary entertainment or anything of value that may influence their decisions or actions on Company-related matters or transactions.

a. Gifts

- 1) Gifts or treats of reasonable value (such as lunch, dinner, tickets to a concert or benefit shows) intended to generate goodwill may be accepted as long as these are not meant to influence the outcome of a transaction with the Company.
- 2) Gifts may also be accepted on special occasions, such as Christmas; however, officers and employees should exercise their prudent judgment in accepting said gifts.
- 3) Soliciting anything of value (cash, gift certificates or other cash equivalent of any amount, free membership/subscriptions in clubs) from any client, vendor/supplier, partner or from prospective client in connection with a transaction involving the Company is strictly prohibited.
- 4) Employees should not accept anything of value that will benefit one's self or a third party (e.g. a member of the family) when this is offered in connection with a transaction involving the Company.
- 5) Token gifts voluntarily given by a third party to a director, officer, staff or consultant may be accepted and kept by the recipient.
- 6) Acceptance of bribes in any form by a director, officer, staff or consultant from a third party or vice versa in pursuit of a transaction with the Company is prohibited.

b. Entertainment

- 1) Acceptance of invitations to theater, concerts or any social or sporting events are allowed as long as these invitations are in line with the sponsorship agreement with the Company and participation/invitation is also extended to other officers and employees.
- 2) Directors, officers, employees and consultants are discouraged from using any property (e.g. vehicles, beach houses, resorts and vacation houses) belonging to a client, vendor/supplier, etc. for personal benefit or even for Company purpose.
- 3) All employees shall refrain from making any form of solicitation from clients/vendors/suppliers such as sponsorship for Company activities, non-Company supported charitable institutions, and/or personal events such as birthdays, weddings, baptisms, etc. where acceptance of such may impair

their objectivity in the performance of their jobs. Exception is when solicitation for a specific purpose has been endorsed and with prior approval from the Senior Management.

c. Sponsored Travel

- 1) Sponsorship of any of the Company's representative(s) (i.e. director, officer, employee or consultant) to attend conferences, conventions, exhibits which may include travel, accommodation and/or registration expenses is acceptable as long as the sponsor is an industry/professional organization (e.g. ECOP) and not associated with any person or organization that has existing and/or prospective business dealings with the Company.
- 2) All directors, officers, employees or consultants are mandated to refuse offers of free travel and/or accommodation to conferences, conventions, exhibits, or other similar events from clients and/or vendors/suppliers. Attendance to these events shall be allowed only if (1) it will benefit the Company, (2) it has been approved by the appropriate approving officers, and (3) the Company pays for all the expenses.
- 3) There will be occasions however when a vendor/supplier provides sponsored travel to directors, employees or consultants to local/internal business site to demonstrate actual performance of their products/systems. Acceptance of such may be justified if this is purely business in nature and will have a direct benefit to the performance or business of the Company and if such travel will help in the evaluation of the product/system being offered to the Company. This may also be allowed if (1) this is part of an approved/existing contract to further prove the product/system's applicability or capacity, and (2) it has been approved by the appropriate approving officers.

2. Supplier/Contractors/Vendor Relations

The Company shall provide equal opportunity, fairness, transparency and accountability in its business dealings with supplier/contractors/vendors in the procurement of products and services.

- a. The Company shall give qualified suppliers/vendors/contractors equal opportunity to bid for services or goods to meet the Company's requirements and/or projects.
- b. Directors, employees and consultants shall always strive to get the best value for money from suppliers'/vendors' products and services. In deciding which best supplier/vendor to choose, they should be guided by established criteria which are made clear to the suppliers/vendors prior to the conduct of a bidding.
- c. The Company's employees should not purchase goods or services from a client other than on normal commercial terms. Any preferential treatment in terms of substantial discounts in price/rates, terms, etc. should be made transparent and made available not to just a few but to all directors, employees and consultants

of the Company for personal use and not to be sold or exchanged, whether or not to gain profit.

- d. All business transactions of the Company with Suppliers/Vendors, in terms of negotiations, contracts, payments, should be properly documented and reflected accurately in the books of the Company in accordance with established rules and procedures.
- e. Directors, employees and consultants should remain free from any obligations to the suppliers/vendors and should not use their position for personal gain.
- f. Directors, employees and consultants should declare their relationships (e.g. relatives, former classmates or co-workers) and/or previous business and official dealings (former business partner, broker, superior or subordinate) and relationships with any of the stockholders, officers and representatives of the suppliers/vendors they are dealing with when transacting directly or indirectly with such parties.

VI. Procedures and Documentation

A. Disclosure

It shall be the duty of each director, employee or consultant to immediately disclose any occurrence of a conflict of interest, whether it be real, apparent or potential, to the immediate superior as follows:

| Position | Superior |
|--|------------------------|
| Directors and President | Chairman of the Board |
| Senior Officers (AVP and up) and Consultants | President |
| Junior Officers and Staff | Group or Division Head |

The disclosure should be made in writing, copy furnished the Company's Human Resource, and Legal and Compliance units.

B. Report of Violations

All directors, officers and employees are expected to report promptly any violation of this Policy to any management or governance bodies (such as, but not limited to, the Company's Human Resource unit, Legal and Compliance unit or Internal Audit) duly authorized to receive and act on the said violation.

C. Investigation and Disciplinary Action

All directors, officers and employees who violated this Policy shall be subject to disciplinary guidelines set forth in the Company's Code of Conduct and Discipline, without prejudice to any civil or criminal proceedings which the Company or regulators may file for violation of existing statutes.

In the case of suppliers/vendors who may be found violating this Policy, sanctions may include but not limited to termination of business relationship and blacklisting.

VII. Process and Policy Review

The Board shall perform a regular review of the implementation of this Policy to assess the adequacy and effectiveness of relevant internal controls.

The Board shall assess and approve all proposals to amend the Policy to reflect the evolving requirements of relevant laws, regulations, conventions and standards.